

COASTAL KARNATAKA CALLING!!!

**Tourism & the Coastal Investor's Meet –
Dec 2003**

A compilation of information



Equations

EQUITABLE TOURISM OPTIONS

JUNE 2004

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In, 1985, EQUATIONS was founded in response to an urge to understand the impact of development particularly in the context of liberalized trade regimes, the opening up of the national economy, the beginning of the reforms and concomitant structural adjustment programmes.

Campaigning and advocacy on tourism and development issues in India and the developing world, in recent years our work has focused on women and tourism, child and tourism, ecosystems and communities and tourism and globalisation.

We envision tourism that is non – exploitative, where decision-making is democratized and access to and benefits of tourism are equitably distributed. We endorse justice, equity, people centered and movement centered activism, democratization and dialogue as our core values.

To know more about EQUATIONS, write to info@equitabletourism.org. All comments can be provided to info@equitabletourism.org.

Dear Reader,

The Karnataka Coastal Investors Meet has become the talking point amount perceptive potential investors across India and abroad. Karnataka's three Coastal Districts, Dakshina Kannada, Udupi and Uttar Kannada, are being thrust into the limelight by the state with the goal of positioning them as the country's most sought-after business destinations.

Around two years ago, Karnataka was showcased to global investors at the Global Investors Meet in Kerala. As a follow-up to the feedback received in the GIM, the State Government replicated the mega investment exercise this time, exclusively for the coastal region.

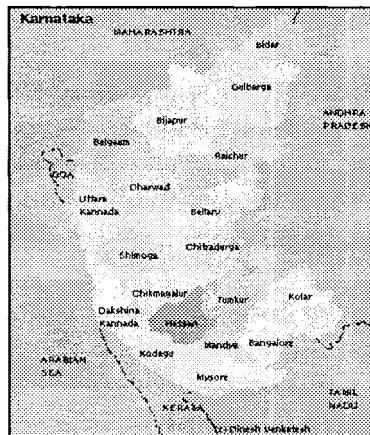
Among the many sectors that were presented, tourism found a special place as the coastline was variously referred to as 'pristine', 'untouched', 'virgin' and 'ready for discovery'. The many natural attractions along the coast have been always projected by the tourism department as its unique selling point.

It is for this precise reason that concerns have constantly been raised over the extent and manner in which tourism development will take place in the ecologically fragile region. The Government of India has agreed, in principle, to the setting up of coastal economic zones on the lines of special economic zones along Karnataka's 320 km long coastline. The mega project is part of the Karnataka government's recent efforts to promote tourism and lure investment into the state. In addition to this, the ex-tourism minister D B Inamdar stated that the CRZ regulations will have to be relaxed to exploit the coast's potential, as has been done for Goa and Kerala.

In light of these developments, this publication brings to you as a compilation of information that appeared in newspapers and websites about the Coastal Investor's Meet. This compilation is a tool towards building awareness and action for protection of the coastline and ensuring development that is just and equitable.

Campaign Support Team

EQUATIONS



If Bijli, Sadak and Pani, popularly known as 'BSP' are the electoral buzzwords of 2004, then Karnataka's performance in roadways is commendable but its performance in power and water is pathetic. To do away with Bijli and Pani in an election year (reports state that Karnataka too may consider early Assembly polls) is committing political hara-kiri. Chief Minister S.M. Krishna, who knows this only too well, is leaving no stone unturned to remove the imbalance and make Karnataka the most favoured investment destination. So far as projects investment is concerned, the state ranked 4th behind Maharashtra, Gujarat and Tamil Nadu.¹

The State Minister for Large and Medium Scale Industries R.V. Deshpande was put on the job. The savvy minister undertook several road shows, both at home and abroad, for the Coastal Investors' Meet to woo investors to the state. "Gone are the days when the investor knocked the door of the minister for sanctions. These days we have to go after them and have to convince why they should come to our state," Deshpande said at one of the road shows. Deshpande said that Karnataka is re-focusing its strategies to attract large-scale investments through stress on infrastructure development and path breaking business de-regulation measures that could considerably ease investment procedures in the State. Mr Deshpande is heading a delegation from the State to invite potential NRI investors to attend the Meet to be held in Karwar on 20th & 21st December 2003².

The Government would like to place under sharp focus the compelling attractions for the potential investor that the three districts along the Karnataka 320 kilometers coastline have to offer. Between them, the districts of Dakshina Kannada, Udupi and Uttara

¹ The Hindu, 20.12.03

² The Hindu, 20.12.03

Kannada cut a coastal swathe from Mangalore to Karwar, that offers an international ambience by way of attractive and largely unexplored beaches, key ports, an excellent rail link which coupled with some canny fiscal incentives, have the makings of a new investment destination.³

Profile of Karnataka's coastline

Coastal Karnataka consists of three districts - *Uttara Kannada, Udupi and Dakshina Kannada*. These “three jewels” having 18,732 sq km of area are bordered by the Arabian Sea on one side and the Western Ghats on the other. The abundant natural resources coupled with infrastructure such as the Konkan Railway line, a major port and 11 minor ports, a well-laid network of national highways and State highways and an airport have made these a potential area for investment.⁴

Uttara Kannada

Uttara Kannada is the largest of Karnataka's three coastal districts. The district is a harmonious combination of silvery white beaches, sylvan Sahyadri ranges and murmuring rivers. The magnificent forests and steep hills suitable for adventure tourism, many places of historical and religious importance and bewitching cascades and waterfalls created by west flowing rivers all these have created a great potential to attract tourism. There are as many as 22 islands off the coast, with more than 80 per cent of the district being covered by forests, the district is pinning its hopes on eco and adventure tourism. It is also focusing on beach and conventional tourism. The 140km coastline of the district is rich in fish resources and fish catch of accounts for two-third of the total catch in the State.

³ The Hindu, 20.12.03

⁴ Business Line. Bangalore, 20/12/03

Uttara Kannada district is betting on its tourism potential. With more than 80 per cent of the district being covered by forests, the district is pinning its hopes on eco and adventure tourism. It is also focusing on beach and conventional tourism. Three nationalised banks and a private sector bank originated there. The district, which is known for its good literacy rate and the zeal for entrepreneurship, has seen rapid industrial growth in the recent past. The presence of professional educational institutions has helped entrepreneurs to develop industry-institute interaction⁵.

Udupi

The district consists of the coastal and the Malnad regions and it is the major beneficiary of Nature's bounty. It nestles between the enchanting Western Ghats and the effervescent Arabian Sea. The 100kilometers coastal stretch is rich in fish resources, NH17 and NH13 pass through the district. It is also accessible through Mangalore airport. Udupi has extremely good banking network. Udupi has excellent finance in the field of tourism. The district has immense potential for development of tourism, as it has many temples, beautiful beaches, islands, ghats, waterfalls, rivers, backwater and other tourist sports, which attract the tourists throughout the year. It even has nickname the "land of Temples". The establishment of coastal SEZ in an area of 2,000 acres at Padubidri is under consideration of Government of India ⁶. Though the tourism industry has made galloping progress, there is still scope for development. Package tours to temples, historical places and beaches, should be organised. To tap the pilgrim potential of the district fully, the Government could introduce a train service such as the "Temple on Wheels" on the lines of the "Palace on Wheels in Rajasthan."⁷

⁵ The Hindu. Bangalore, 20/12/03.

⁶ Financial Express. Bangalore, 20.12.2003.

⁷ The Hindu, Bangalore, 20.12.2003

Dakshina Kannada

The area of Dakshina Kannada district encompasses 4866 Sq. Kms and it is centered around Mangalore. Dakshina Kannada district still reigns as one of the most beautiful and unspoilt of all on the West coast of India. Sheltered by the soaring western Ghats on the east and the mighty Arabian sea roaring along its shores, it is a tropical paradise of azure skies, sun drenched beaches, rampant greenery and gushing rivers. This is not all, it also boasts of colorful rituals and enthralling dance forms, where every stone it provides a breathtaking view of secluded hills and deep valleys across the wooded Western Ghats. The district offers umpteen places of interest for both pilgrims and pleasure seekers. It is the birthplace of three nationalised banks and one private sector bank⁸. Mangalore Airport is just 16 Km away from this beach. The temples at Dharamsthala and Kukke Subramanya as well as the mosque at Ullal are popular religious tourism destinations.⁹

What is the CIM?

More than two years after it showcased Karnataka to global investors, the State Government is replicating the mega investment exercise exclusively for the coastal region. However, all the projects will be pursued without compromising the eco-sensitive nature of the coastal region, assured Mr Deshpande. The Government has identified 12 growth areas - tourism, food processing, port-based activities, marine products, infotech and ITES, biotechnology, agro-based products, light manufacturing, educational services, pharma & herbal products, healthcare and infrastructure projects to attract policymakers and entrepreneurs.

⁸ The Hindu, Bangalore, 20.12.2003

⁹ <http://www.indiaexpress.com/bangalore/eureka/nature.html>

Mr Deshpande said the Global Investors' Meet of June 2000 had attracted over 250 projects and potential investments of Rs 27,000 crore. Of these, 98 projects with investments of Rs 8,800 crore have been implemented and 13 others worth Rs 4,500 crore are under implementation. The tardy progress on the proposals was largely due to the global recession in the last two years. However, the economy has been looking up in the last eight months and the State hopes to cash in on this through the meet.

The event will be targeted at domestic investors and expatriates in the Gulf region, most of who are from the coastal Karnataka belt. Rs 35-lakh promotions has been planned and starting November 20¹⁰.

Recognizing their potential, the State Government is organised a summit called The Coastal Investors Meet which was held for two days, 20-21 December at Karwar, the summit proposed to offer investment opportunities to entrepreneurs from all over the world, and in turn will ensure further development of the region's potential and will also provide an opportunity to a large number of non-resident Indians in West Asia to invest in their homeland. Coastal Karnataka has the highest number of expatriates in the West Asian region compared with other regions in the State¹¹. Many of the domestic investors have also evinced interest in investing in the region on the Rabindranath Tagore Beach, subtly suggesting how pristine Coastal attractions can help investors make a commercial 'beach-head' in this region. The meet will help showcase the coastal region as a potential destination for investments.¹² It will also provide a forum for entrepreneurs from across the country and aboard to develop strategic business alliances across functional areas¹³.

¹⁰ <http://www.blonnet.com/htm<retrieved on 14th November 2003. BL>>

¹¹ The Hindu, Bangalore, 20.12.2003

¹² The Financial Express, Bangalore, 20.12.2003

¹³ The Financial Express, Bangalore, 20.12.2003

Though the meet is expected to attract investments in the entire coastal Karnataka region, thrust will be mainly on Uttara Kannada district. New Delhi-based investor is planning to set up a five-star hotel at Belekeri in Uttara Kannada district

A sample of projects that the State has projected includes: biomass-based power units, power generation units using cashew shell oil cake; eco-tourism projects such as jungle resorts and health camps, wildlife safaris, water sports, fantasy parks, ropeways, trekking and adventure sports; manufacturing possibilities like forging, steel fabrication, sponge iron, vehicle body building, gold jewellery and diamond cutting and polishing glazed tiles; and electronic toys and gadgets. ¹⁴.

Schedule of CIM¹⁵

The inaugural session will be followed by seminars by N.K. Singh, member, Planning Commission, Subhir Raha, Chairman and Managing Director (MD), Oil and Natural Gas Commission, and Shymal Roy, Professor of Economics, Indian Institute of Management, Bangalore, will speak at the first seminar on the Indian economy. B.S. Patil, Chief Secretary, will moderate the discussion.

Business to business e-commerce will be discussed at the second seminar to be held at 2.30 p.m. Mohandas Pai, Director, Infosys, Joyesh Chakravarti, Vice-President, Mindtree, Bangalore, and B.V. Naidu, Director, STPI, Bangalore, will present papers. D.B. Inamdar, Minister for Information Technology and Biotechnology, will be the moderator.

¹⁴ <http://www.blonnet.com>< retrieved on Tuesday, Nov 18, 2003 Business Line>

¹⁵ <http://www.hindu.com/2003/12/20/stories/2003122007010400.htm> Saturday, Dec 20, 2003 The Hindu

The third session, which begin at 4.15 p.m., is on Karnataka overview. Nitin Kasliwal, MD, S. Kumar's Ltd, Vinay Deshpande, who is also Chairman and CEO, Encore India Ltd., D. Narasimha Rao, Professor, IIM, Bangalore, and R.P. Nair, Chief, TELCO Construction Equipment Ltd., Dharwad, are the speakers. Subir Hari Singh, Principal Secretary, Department of Commerce and Industry, will moderate the discussion.

Four sessions have been scheduled for the second day. A seminar on infrastructure will commence at 9 a.m. Ravi Uppal of ABB Ltd., K. Ramachandran, President of IL&FS, Mumbai, K. Laxminarayan, Joint MD, MICO, K.R. Alva, Executive Director, Housing and Urban Development Corporation, D. Narasimha Rao, Professor, IIM, Bangalore, and Thomas Cherian, CEO, iDeck, are the speakers. S. Krishna Kumar, Principal Secretary, IT Department, will act as moderator.

Biotechnology and bio-informatics will be the topics of discussion at the second session. Doreswamy, Advisor, Shri Ramco Biotech, Chennai, Shama Bhat of Bhat-Biotec India, P.S. Rao, Vice President, Indo-American Hybrid Seeds, and Sudarshan, Dean, Indian Business Academy, Bangalore will speak on the occasion. Manohar Attavar, Chairman, Indo-American Hybrid Seeds, will moderate the session.

Health services and pharmaceuticals will be discussed at the next session. Ratan Jalan, CEO, Apollo Health and Life Style, Hyderabad, D.V.R. Seshadri, Professor, IIM, Bangalore, and Vishal Bale, Vice-Ppresident Wockhardt Hospital, will deliver speeches on the occasion.

B.M. Hegde, former Vice-Chancellor, Manipal Academy of Higher Education, will be the moderator.

S.M. Syed Khaleel of Galadari Brothers, Dubai, George Thomas Ramapuram, Director, Orange County Resort, Kodagu, Vivek Nair, Vice-Chairman, Hotel Leela Kempinski, Mumbai, S. Shadakshadri, Chairman, Ramashri Group, and C.S. Kedar, Secretary, Department of Information, Tourism and Youth Services, will be the speakers. J. Alexander, Minister for Tourism, will moderate the discussion.

A special plenary will be held at the end of the meet. B. Ramanath Rai, R. Roshan Baig, Vasant Salian, and H.M. Revanna, Ministers, will attend the plenary.

Eminent Persons Gallery¹⁶

On the occasion, the foundation stone is to be laid by the Karnataka Chief Minister, the Managing Director and Chief Executive Officer of Infosys Technologies Ltd, Mr Nandan Nilekani, to deliver the presidential address, while a special address will be delivered by the Secretary, Union Ministry of Tourism, Ms Rati Vinay Jha. Mr. Oscar Fernandes and Ms Margaret Alva, MPs, the Karnataka Minister for Large and Medium Industries, Mr R.V. Deshpande, and the Chairman of the Karnataka Chapter of CII, Mr Vinay Deshpande were present.

Acoording to Mr. R.V. Deshpande, a number of memoranda of understanding will be signed and letters of intent issued at the meet. Tourism projects at Suratkal, Kaikini, Om Beach, and Belekeri will be launched symbolically. He hopes that the industrial potential of the three coastal districts, which he describes as the "*Jewels of Karnataka*," will be explored at the meet. The meet will lay emphasis on tourism development.

¹⁶ <http://www.thehindubusinessline.com>.<retrieved on Saturday, Dec 20, 2003, BL

Interviews

S M Krishna- Chief Minister of Karnataka¹⁷

We do not look at Investors as businessmen anymore. We would rather consider them as our partners - partners in development and technological upliftment, says the Chief Minister, S.M.Krishna.

1. A program for investment opportunities on a concentrated region like the coastal areas is the first of its kind in the country. What was the basic idea behind such a regionalized initiative?

If you look at India after the turn of the century, the growth in terms of foreign exchange, investment and productivity has been tremendous, and as a state that features among the first five industrial states of the country, we have always made it a point to keep ourselves abreast of the changing industrial scenario. It was this outlook that motivated us to organize a Global Investors Meet in 2000. When we analyzed the response and areas of investor interest, we were surprised to find a huge corporate interest in fields like Tourism, Aquaculture, Floriculture, Biotechnology and the likes.

We then put our heads together and discussed on possible places where such initiatives would be viable and since the state has a coast-line of more than 300 kilometers, which is environmentally and logistically suitable for such investments, we planned the Coastal Investors Meet. Besides this, we felt that Bangalore was becoming crowded as a technological hub, and so we badly need a regional balance along the state.

¹⁷ The Hindu. Bangalore, 20.12.2003

The advantages we have in the coastal areas is the fact that people living in these areas have a high percentage of literacy, and are positive and progressive towards advancement of every kind. Also, the area is rich in terms of natural resources and availability of port facilities for exports.

Based on this regionalized concept, the Government intends to develop other areas like the Hyderabad-Karnataka region, North Karnataka and so on in the coming years to ensure an all round development of the State.

2. Other states that have the advantage of having a coastline have converted tourism as a potential industry. Does Karnataka look forward in doing the same?

Certainly yes, as Karnataka has 320 kilometers long coastline with many virgin beaches, the potential with regard to tourism is a major plus point along the coastal belt.

Apart from this, various places of religious interest also have a huge potential for tourism development. By the medium of the Coastal Investment Meet, the state plans to expose the possible areas of investment in the tourism and hospitality sector, and invite players to begin projects in these areas. For instance, Karwar is about an hour and a half's journey from Goa, and if we are able to successfully build Karwar as a tourist hub, it would be instrumental in attracting tourists from Goa. The most important thing is that, at the end of the day, the entire coastal belt would get a facelift, in terms of all round growth.

3. Though the state has a relatively long coastline, only one major port is operational. Is the government looking forward to develop other ports in this area?

For any state, the commercial entry point is always the port. In fact, as far as Karnataka is concerned, there is an overload of cargo entering the state through the New Mangalore port, and through ports in neighboring states. This is the reason why we did an extensive study and identified other regions suitable for establishment of ports, the most attractive one being the Tadri Port, as its geographical location is ideal for transportation of coal and iron ore from and to the state. As the national highway 17 passes through Tadri, The Tadri area is well connected by road and the Konkan railway forms the rail linkage to the area. Other minor ports are viable in places like Honnavar, Bhatkal, Karwar, Malpe and Old Mangalore.

4. What steps is the government taking to ensure that the serene environmental conditions along the coast remain?

The coastal region is ecologically fragile and therefore requires special care, to regulate the activities in the coastal zone in order to have a sustainable development. According to this, an area up to 500 mts. from the coast is regulated, in three categories. The first category CRZ-I is the ecologically sensitive region and hence no construction is permitted. The second category is the urban area, which is developed up to the shore, where construction is permitted towards the landward side of any authorized structure or road close to the coast.

The third category, that is CRZ-III is relatively undeveloped, and includes mostly the rural area where construction of dwelling areas for the local people is permitted. It is based on these rules that the Government allows setting up of industries along the coastal areas.

5. What would be your personal message to the investors who would be attending the Coastal Investors meet?

We do not look at investors as businessmen anymore. We would rather consider them as our partners - partners in development and technological upliftment. I therefore, invite our partners to come to coastal Karnataka, take a look, and see if you can give us a helping hand in developing these areas.

R.V. Deshpande: The Minister for large and Medium Scale Industries¹⁸

The Minister for Large and Medium-scale Industries, R.V. Deshpande, outlines the focus areas for the Coastal Investors Meet and the groundwork being done to ensure high-level investor participation.

1. What are the initiatives of the Karnataka Government to maintain its position among the top 5 industrial states of the country?

In terms of Investments, Karnataka is second in the country, and in the last five years, the State is ranked among the first five in terms of Project Investments. Also in the month of August 2003, Karnataka ranked number one in total project investments. In 2000, we successfully organized the Global Investors Meet that resulted in an investment worth Rs. 9000 crores. Between 1999 and 2003, 616 Large and Medium projects were approved as part of the State Level Single Window Policy, and in 2001, the Karnataka State's new Industrial Policy took effect. In the fields of Information Technology and Biotechnology, we organize annual events like Bangalore IT.Com, and Biotech respectively, which have become one of the leading industrial meets, having attracted leading Indian and well as International investors. The Government now intends to concentrate

on particular regions as it wants investors to come in and set up industries in smaller areas of Karnataka, which would result in an all round development of the State. As a starting step towards this, we are concentrating on development of the coastal belt.

2. What are the focus areas for the Coastal Investors Meet?

The coastline areas have huge potential for investment in infrastructure development, tourism, agro food processing, biotechnology, IT/ITES, education services, port and port development. The availability of good man-power is a major plus point along the coastal regions.

3. What is your opinion on the concept of an investment program exclusively for the coastal areas?

After the Global Investors Meet, the Karnataka State wanted to have a more focused plan for investment, and as an initial step towards a localized approach, we have come up with this concept. The Karnataka coastline spans more than 300 kilometers and consists of Uttara Kannada, Udupi and Dakshina Kannada regions.

4. What groundwork is being done to ensure high-level investor participation in the event?

The Karnataka Government has been promoting the concept of the Coastal Investors Meet through its road shows involving personal one to one interaction with potential investors in every field. We had done similar road shows during the Global Investors Meet of 2000, which brought in many new investors. The Mumbai and Delhi roadshows for the Coastal Meet were held on November

^{>18} The Hindu. Bangalore, 20.12.2003

20th and 24th respectively, followed by one each in Abu Dhabi and Dubai. The last lap of this series was held in Bangalore (December 9), Goa (December 14) and Mangalore (December 15). The response to these road shows has been phenomenal.

5. How have the local people of the coastal area responded to the initiative?

So, far the people along the coastal areas have shown keen interest for developmental work of any nature. The Government's policy of inviting private players to invest in these areas through some sort of a public-private enterprise has been well received by the people, and they are looking forward to welcome investors to their neighborhoods.

6. Are there any MoUs in the pipeline as part of this meet?

Yes, I am happy to inform that we are planning to sign MoUs with many players, which will lead to an approximate investment amount of Ps. 3000 crores. To name a few players: Archedia Group, Mumbai for development of a minor port; Jindal Power Corporation, for a thermal plant near Udupi; Natural Remedies, for a herbal medicine extraction project; Cineplex, for a multiplex theatre and shopping arcade in Mangalore; development of an Integrated Steel Plant from a Delhi firm; Biogenesis India, for an aquaculture project. Apart from these initiatives, Infosys is planning an expansion project in Mangalore, and the Saraf Foundation is at the planning stage for a housing initiative in Karwar. Karnataka State has always made it a point to maintain a cordial and friendly relation with all our investors. We have been treating them as our partners, and would continue to do so.

The Tourism Components¹⁹

When it comes to tourism, the State is well poised to exploit the 'M-factor'²⁰ - the coastal resorts of Mangalore, Murudeshwar, Malpe and Marwan. Indeed, to an outsider, it would appear strange why the State took so long to project the compelling nexus between its largely untapped coastal attractions and the techno-commercial spinoffs thereof.

The State is well-positioned logistically to en cash that vital rail link, the Konkan Railway that runs all along its coast linking complimentary tourist attractions from Goa in the north to Kerala in the south. Cannily developed, the State's beach areas can be turned into attractive destinations that can vie with the best that her two nearest coastal neighbors have to offer. Indeed, deliberations at the Coastal Investors Meet will, in all likelihood, see these Karnataka coastal tourist destinations being offered as an ideal weekend getaway for the vis-iting IT hotshots in Bangalore.

By happenstance, a private player like Deccan Airways has just put in place, a basic network linking some of these coastal destinations with the State capital at a compellingly affordable price point.

The Gokarnam Beach re-sort will be the Casino Group's first foray outside Kerala. "It is a little 80acre coastal property, tucked away some five to six km from the little township of Gokarnam and connected by *kachcha* village road. We want to mesh with the local community, culture and the coastal environment without any fanfare, and in the least obtrusive manner," Mr Jose Dominic, Managing Director of the newly named CGH Earth.

¹⁹ Business Line, Bangalore, 20th Dec 03, Karnataka 'stumped' on Gokarnam resort!

²⁰ The Hindu, Bangalore, 20.12.2003

The discovery of Gokarnam beach resort is a fascinating tale. When their hideaways in places like Goa and Kovalam came under the glare of international attention, the hippies of the eighties discovered their new hideaway in the isolated coast of Gokarnam. Knowing very well the hippies penchant for discovering idyllic and scenic locations, the Casino group tracked them down and bought the property in the nineties.

On airport projects, Mr Deshpande said that work on the new Bangalore international airport will begin in January 2004, while a new civil airport is expected to come up in Karwar as plans move ahead for the country's biggest naval base in the coastal town.

Creating a conducive climate for Investment ²¹

Karnataka has earned a reputation where the legal and regulatory framework has been quickly put in place complimenting every new investment thrust. The Tourism policy for 2002-07, the state's landmark IT policy, the Karnataka Industries Facilitation Act 2002, the Karnataka Special Economic Zone Development Bill as well as recent notifications to make the ITES-BPO business environment more friendly, are expected to do for the coastal states what they did for Bangalore and Mysore - make to the potential investor, an *"offer he can't refuse"*.

Mr. Deshpande said Karnataka's economic indicators are strong and the industry growth rate of 7.3 percent topped the national average of 6.7 percent. The Industries Facilitation Act, enacted as part of its business-friendly stance, for the first time in the country, was notified recently and will ensure transparency and smooth business operations. Until now, Rs 8,548 million has been

²¹ The Hindu, Bangalore, 20th Dec 2003.

invested in the small- scale industries and Rs 74,029 million in large and medium scale industries in these coastal districts.

The aim is to make industries in the State more competitive globally with the emphasis on quality up gradation and research. Karnataka was targeting a growth in its share of the country's exports from the present 7 per cent to 15 per cent and was aiming at a GDP growth of 7.5-8 per cent.

Claiming the Coastal Meet a “grand success”, Karnataka Udyog Mitra, the single window agency for project clearance, is on project approval spree. Out of 66 projects proposals worth Rs 5,690.93 crore the government has cleared 24 projects worth Rs 6.91 crore. Another Rs 2,200 crore proposals are under process.

The Government of India has agreed, in principle, to the setting up of coastal economic zones on the lines of special economic zones along Karnataka's 320-km long coastline. The mega project is part of the Karnataka government's recent efforts to promote tourism and lure investment into the state.

Clearly, the state, which is ranked 4th in terms of project approvals of Rs 1, 42,857 crore till October 30, 2003, according to Projects Today, would like to gain from the current feel 'good factor' prevailing in the economy ²².

Investment Avenues for Tourism

- Adventure Sports
- Fantasy Parks
- Jungle Resorts and Health Camp

²² The Financial Express, Bangalore, 20.12.2003

- Rope ways
- Trekking
- Water sports
- Wild Life Safaris

Karnataka gets the second largest FDI in India ²³

Karnataka is currently the second largest recipient of foreign direct investment in India, as it approved 934 FDI proposals worth Rs 7826 crore (Rs 78.26 billion) during this year. Implementing its policy of divestment, the state government had identified 20 public sector units in the first phase and 19 in the second phase for privatisation and closure.

The government had already issued closure orders in respect of 13 units and privatisation in respect of four units.

Tourism Projects Proposed For Coastal Investors Meet ²⁴

Tourism Projects of Dakshina Kannada District

1. Thannerbhavi Projects

This beach is 10 Km away (North) from Mangalore. This beach is stretched about 1 Km length and on the left side of this beach Gurupura river (Palguni) is flowing and the other side (right) is the Arabian Sea. This beach seems like a peninsula because one side is having a land connection and remaining three sides are

²³ <http://timesofindia.indiatimes.com/articleshow/406268.cms>

²⁴ <http://www.karnatakaturism.org/html/misc/coastal.htm>

covered with water. This beach is connecting directly to the N.H. 17 and connecting N.H.13 & N.H. 48, from Mangalore by road and connecting Konkan Railway, Airport is just 16 Km away from this beach. The Tourism activities proposed in this beach is the back water of Gurupur river, fishing camp, boating, House boats, etc. may be developed and water sports can be developed in the Sea water. Resorts and temporary type of accommodation, restaurants are required in the beach. This beach comes under C.R.Z. III category. The land available for this is in Sy.No. 38/1 Extent 9.89acres Government land. 12 Kms away from (south) Dist. Kq. Of Mangalore, and Pilgrimage place for Muslims because of the famous Sayyed Madani Darga situated at this place. The other tourist attractions are ruined fort of Abbakka Devi & Jain Basdi of 16th century etc.

2. Ullal Beach

This beach is stretched up to 2 kms length. This area is connecting N.H. 17, N.H. 48, and N.H. 13 from Mangalore by road and connecting Konkan Rly. Mangalore Airport is situated at a distance of 30 Kms from Ullal Beach. The tourism activities proposed in this beach, Since Ullal beach Nethravathi River is joining the Arabian Sea the cruise shipping may be developed at this place. Boating, fishing camp, temporary huts type of accommodation, restaurants may be developed. This beach comes under C.R.Z. I category. The land available for this is in Sy.No. 150 Extent 6.59 acres and Sy.No. 150/1A Extent 0.80 acres. Total: 7.39 acres.

3. Someshwara Beach

This beach is situated 14 Km. (South) away from Mangalore. Sri Somanath Temple on the top of the rock and Someshwara beach are the tourist attractions. This beach is connecting N.H. 17, N.H. 48, and N.H. 13 from Mangalore by Road. Mangalore Airport is situated at a distance of 33 Kms. Away from Someshwara beach. The

tourism activities proposed in this beach are :

Water sports, Resorts, Hotels in this beach to attract more tourists. This beach comes under C.R.Z. I category. The land availability for this is in Sy.No.68/7B - Extent: 5.74 acres.

4. Sasihithlu Beach

This is situated 26 Kms (North) away from Dist. Hq. of Mangalore. This beach is stretched about 2 Kms in length. There is a peninsula Island called MUNDA. The one side of the Island is Arabian sea and other two sides are covered by Shambhavi river, and Nandini river. The proposed cost of 18 holes Gold Course is Rs.5 to 7 crores if developed on national basis and may cost Rs.25 crores if developed on international basis. This beach is connecting directly by N.H. 17 and connecting N.H. 13 N.H. 18 from Mangalore by Road.

Air connectivity from Mangalore Airport – 20Kms to Sasihithlu Beach. The tourism activities proposed in this area is Water sports, boating, fishig camp. Houseboats in the backwater of rivers and resorts, hotels. This beach comes under C.R.Z. I category. The land availability for this is in Govt. land is not available at this beach (As per the report of Revenue Department).

5. Golf Courses at Thannerbhavi

To attract more foreign and domestic tourist to Mangalore, a proposal has been made for the Golf Course near Mangalore at Thanneerbhavi beach, where sufficient Govt. land is available. The proposed Golf course may be developed at Thanneerbhavi beach in S.No.1 Bengre Village. Extent of land: 1-54 acres, 2-4.65 3/1-10.28 total 10.44, 10-7.76 total 87.93 acres. This beach is connecting direct to and N.H. 17 and connecting N.H. 13 and N.H. 48 from Mangalore by road and connecting Konkan Rly. Mangalore Airport is just 16 Km away from this is and it will be upgraded into

international Airport shortly. This may encourage more foreign & domestic tourists to land at Mangalore.

6. Pilikula Nisarga Dhama

The Nisarga Dhama is situated just 13 Kms from Mangalore City. Regd. Govt. Society having 375 acres of land. It has already developed 9 holes Golf course, wild life, Boating unit, Amusement Park, Science Centre, Arboretum & Heritage village. There is a proposal to develop Ayurvedic Health Centre and Tourist cottages in this area. The building of Tourist Cottage (8 rooms) has been completed. It is proposed to enter into a partnership with a company, which will get done furnishings & fittings as per its requirement and run the facility on lease basis. The investment required for fittings & furnishings is estimated to be Rs.36.5 lakhs. As far as Ayurvedic Centre is concerned, 2 cottages & the treatment unit is being constructed by the Pilikula Nisarga Dhama authorities, it is proposed that a private partner will invest to complete balance infrastructure 7 cottages & administrative block including swimming pool and also run the facility on lease basis after furnishing & equipping it. The initial investment required to build the infrastructure is Rs.330.00 lakhs. The two projects are proposed to be given for joint lease if it suits the private partner.

Tourism Projects Of Udupi District

1. Adventure Sports

a. River Rafting:

1. The most suitable river for water river rafting Seetanadi river is about 30 kms. Length from Seetanadi nature camp (Someshwara) to Hangarakatte river mouth cause for this purpose. June to September heavy raining month is best season to conduct river

rafting. 40 km from District head quarters 40 km. Udupi Railway station. 100 km. Mangalore airport, 90 km Seaport.

2. Varahi river in Kundapur Taluk about 35 km. Length from Siddapur to Gangolli river mouth can use for the purpose. Throughout the year can conduct river rafting. 50 km from District, Head quarters. 110 km Mangalore airport 100 km from Seaport, nearest railway Kundapur is 30 kms.

b. Water skiing, Parasailing, Water Surfing, Speed boating:

These activities can taken up at Malpe beach and Udyavara river. It is safe place for these activities. Malpe is 6 km from District head quarters, 65 km. Mangalore airport, 55km Seaport, 5 kms from NH-17, 8 km from Udupi, Railway station, Udyavara 4 km from District head quarters, 55 kms Mangalore Airport, 50 km from seaport, 7 km from Railway Station.

2. Jungle Resorts and Health Resorts

There is good scope for Health and Jungle resorts activities in Udupi District. The following are suitable for the purpose.

a. Othinene: This picturesque place is 36 km north of Kundapur. 75 km from District head quarters, 140 km from Mangalore Airport, 130km Seaport, 6 km nearest Byndoor Railway Station, 50 acres of the land available for the purpose.

b. Someshwara: It is in Jungle area in Karkala Taluk. 40 km from District headquarters, 100 km from Airport Mangalore, 90 km from seaport nearest railway station Udupi – 40 kms. 20 acres of the land available for the purpose.

c. Kandlur: It is in Jungle area in Kundapur Taluk surrounded by river, 60 km from District head quarters, 120 km from Mangalore Airport, 16 kms Seaport nearest Railway station Kundapur 25 k. 100 acres of uninhabited land available for the purpose.

3. Beach Resorts

Udupi District is having 105 kms long unspoiled good beaches. There is full scope for establishing beach resorts.

a. Kaup: Located at south of Udupi. 12km from District head quarters 45 kms from Mangalore airport, 40 km Seaport nearest railway station Udupi is 15 km. 10 acres of the land available for the purpose.

b. Sastan kodi: Located at north of Udupi 20km. From District Head quarters 80km. Mangalore Airport, 70km. Seaport nearest Railway station Barkur 8 km. 20 acres of the land available for the purpose.

c. Malpe: Located at west of Udupi 6 km from District head quarters, 65km. From Mangalore Airport, 58km from Seaport, 8 km from Udupi Railway station. 4 acres of land available for the purpose.

d. Maravanthe: Located at North of Kundapur Taluk, 53 km from District head quarters, 113 km from Mangalore Airport, 103 km Seaport nearest Railway station Kundapur 15 km. 10 acres of the land available for the purpose.

e. Kirimanjeshwara: Located at north of Kundapur Taluk. 58 kms from District head quarters 118 km. Mangalore Airport 108 km. from seaport, nearest Railway station Senapur 10 km. 4 acres of the land available for the purpose

4. Rope Way

Ottinene is suitable place for construction of Ropeway. It is on the height of 60 mts. From M.S.I., 75 km. from District head quarters. 140 km. From Mangalore Airport, 130 km. Seaport: 6 km. Nearest Byndoor railway station.

5. Trekking

Eastern side of Udupi District is fully covered with green thick forest of Western Ghat range. Here is full scope for conducting trekking programme. Some routes listed here in.

- a. **Kodachadri:** Located near Kollur of Kundapur Taluk, trek route is 12 km. From Nagodi to Kodachadri. 80 km from District head quarters 140 km. From Mangalore seaport nearest Railway station Byndoor is 26 km.
- b. **Arasinagundi:** Located near Kollur of Kundapur Taluk, trek route 6 km. From Kollur to water falls, 80 km. From District head quarters. 140 km from Mangalore airport 130 km from seaport 26 km from nearest railway station Byndoor.
- c. **Belkal Thirtha:** Located near Madhur, Kundapur taluk. Trek route 6 km. From Madur to water falls. 60km from District head quarters. 120 km Mangalore Airport 110 km seaport, nearest railway station, Kundapur – 30 kms.
- d. **Kudlu Thirtha:** Located near Hebri of Karkala Taluk. Trek route from tingale to water falls 11 km. 50 km from District head quarters 100 km from airport 90 km. Seaport, 50 km from nearest Railway station, Udupi.
- e. **Valikunja:** Located near Ajekar of Karkala Taluk. Trek route from Ajekar to high mountain peak of valikunja 15 km. 55km. District head quarters. 65 km. Mangalore Airport, 55km. From seaport. 50 km nearest railway station Udupi.

6. Water Sports

Udupi District is full of rivers, creeks, and backwater. There is full scope for water sports in the District.

- a. **Swarana River:** 19km. Length of the river is suitable for water sports activities. 19 km from District head quarters, 65 km from Mangalore Airport. 55 km from seaport, 3 km from nearest railway station.
- b. **Seeta River:** 30km. Length of the river is suitable for water sports. 40 km from District head quarters 110 km. Mangalore airport 90 km from seaport, 40 km from nearest railway station.
- c. **Gangolli River:** 40km. Length of river is suitable for water sports. 55 km from District head quarters. 40 km from Mangalore Airport, 100 km. From Seaport, 15 km from nearest railway station.

7. Beating

Boating activities can be taken up at following places of the District.

- a. **Sauparnika River at Maravanthe:** it is 55km from District head quarters. 110 km from Mangalore airport 100 km from Seaport and nearest railway station Kundapur is 15 km.

Udyavara at Udyavara river: It is 14 km. From District head quarters, 55 km from Mangalore airport, 45 km. Seaport, 7 km from nearest railway station Udupi.

- b. **Mabukala at Seeta river:** It is 14 km from District head quarters, 65 km from Mangalore Airport, 55 km. Seaport. Nearest Railway station 4 km from Barkur.
- c. **Ramasamudra lake:** It is in Karkala Taluk, 40 km from District head quarters, 55 km from Airport, 54 km from seaport. 40 km from nearest railway station Udupi.

8. Boat House

These activities can be taken up at all back water locations of Udupi and Kundapur.

9. Religious Tourism

The District has permanent Temples like Lord Krishna Temple at Udupi, Mukambika Temple at Kollu, Bahubali (Gomateshwara) statue of Karkala. Attur church at Karkala pilgrims visit the said temples through out year. Dhyana Yoga can be taken up in spiritual places.

- a. Udupi:** Krishna Temple 60 km from Airport 50 km. Seaport and 3 km from Railway station.
- b. Kollur:** Mukambika Temple located at Kundapur Taluk. 80 km from District Head quarters, 140 km. Airport, 130 km. Seaport, nearest Railway stations Byndoor 26 km.
- c. Karkala:** Bahubali Statue at Karkala – 40 km from District head quarters, 60 km from Airport, 50 km from seaport
- d. Attur Church:** Located at 4 km from Karkala. 45 km from District head quarters, 60 km from airport, 50 km from seaport, 40 km nearest railway station.

Tourism Project of Uttara Kannada District

1. Tagore Beach
2. Timati Beach
3. Majali Beach
4. Belekeri Beach
5. Om Beach/Half Moon Beach/ Paradise Beach/ Kudle Beach
6. Gokarna

7. Yana
8. Dharieswar Beach
9. Apsara Konda
10. Apsara Konda Beach
11. Higund Island
12. Basvaraj Durg Island
13. Karikannamma Temple
14. Sinteri Rocks
15. Ulavi
16. Haliyal
17. Sirsi
18. Sonda
19. Shasralinga
20. Banavasi
21. Mogod Falls
22. Jenucallu
23. Sathodi Falls
24. Bhatkal

(For more details on projects, please refer Annexure 1)

Developments on the coast

Coast receives Rs 5,684-cr worth proposals²⁵

Development and attempts by the State government to show case the three hidden jewels; the meet has received proposals for investment worth Rs 5,684.02 crore in the region.

Forty-two investment proposals have been received in sectors such as minor port development, beach resorts and health resorts, manufacturing, power generation, information technology, biotechnology, and education.

²⁵ <http://www.blonnet.com/2003/12/22/stories/2003122200661300.htm>

Thirteen proposals have been received in the infrastructure development sector.

Four proposals with an investment of Rs 645 crore have been received for minor ports development.

Delegates at the meet have submitted 10 proposals with an investment of Rs 81.45 crore in tourism sector.

Apart from these, the Uttara Kannada District single window agency has cleared 24 projects with an investment of Rs 6.91 crore.

Of the 42 proposals received, the State Government has issued sanction letters to two companies. Cineplex, Mangalore, is to establish a cinema multiplex in Mangalore with an investment of Rs 7.55 crore and Sahanu Sponge and Power Ltd, Goa, is to establish sponge iron manufacturing and co-generation unit in the coastal districts with an investment of Rs 49 crore.

Mr Deshpande said the State Government has signed memoranda of understanding with four companies for facilitating the implementation of the projects, and issued letter of facilitation to 34 companies to start their activities with an investment of Rs 42745.47 crores.

The Minister said Arbutus Steel Ltd, New Delhi, has submitted an expression of interest for investing in an integrated steel plant to the extent of Rs 375 crores at Mundargi or Ramnagar of Uttara Kannada district or Growth Centre of Dharwad.

Above all, Infosys Technologies Ltd, Bangalore, has decided to invest Rs 300 crore in its Mangalore centre.

Karnataka hopes to woo investors from UAE ²⁶

The south Indian state of Karnataka is eyeing investors from the UAE and the region for development of certain key sectors in its coastal districts.

²⁶ <http://gulfnews.com/Articles/news.asp?ArticleID=102865>

Spearheading the effort, R.V. Deshpande, Karnataka Minister for Large and Medium Industries, will lead a delegation to the UAE next month to talk to prospective investors. "There have been some significant investments from non-resident Indian businessmen in the UAE in various projects in Karnataka. It is hoped the size of the investment will increase,"

Karnataka is the eighth largest state in India with an aggregate real income growth of 7.3 per cent per annum (compared with the 6.1 per cent all India growth) and has a strong technology base.

Future plans ²⁷

The proposals came from 66 investors and the event was attended 850 businessmen including 53 from abroad, industries minister RV Deshpande told.

The proposals include development of the Karwar Port with an investment of Rs 455 crore by Jindal Vijayanagar Steel Ltd, setting up a greenfield white cement plant near this coastal town by Rajasthan-based JK Cement Ltd at a cost of Rs 125 crore and a Rs 2,000 crore thermal power project in Udupi district by Jindal Thermal Power Company Ltd.

Mr Deshpande also said the government would hold similar investor meets for the Mysore region in February.

"It was an honest attempt by the state government to showcase the three hidden jewels", Mr Deshpande said. "We have realised that the thrust should be on holding regional investment meets showcasing the regions potential.

Indian navy had submitted a list of industries, which could be set up at Karwar, where the sea bird naval base is being set up.

²⁷ http://www.financialexpress.com/le_full_story.php?content_id=48916 Financial Express 22nd Dec 03

The State has excellent potential for investment in hotels, beach resorts, eco friendly resorts, golf courses, amusement parks, aero sports, adventure sports, etc and in future the state will encourage private participation in development of tourism infrastructure, Promotion of eco tourism, Comprehensive Package of Incentives as available under Industrial Policy

Coastal development plan for Karnataka²⁸

The Karnataka government is planning a full-fledged clean-up of the coastline. Building proper hotels along the coastline to attract tourists, both domestic and foreign, is also on the agenda. The government's coastline development plan will see the upgradation of all beaches along the state's 320-km coast, including Mangalore, Malpe, Maravanthe, Murdeshwar, Gokarna and Karwar. Gokarna's Om beach will have the privilege of being the first beach to get a facelift under the proposed plan.

The project is likely to find favour with the hoteliers. The government is planning a tourism meet in November-December to showcase various projects under the proposed plan. Despite these ambitious plans the state government may not be able to go ahead with its plans unless the Central government relaxes coastal regulatory zone (CRZ) regulations. However, the state government is confident of getting the relaxation, as its neighboring states, Kerala and Goa, have already been able to do it.

Karnataka plans Coastal Economic Zones²⁹

The Government of India has agreed, in principle, to the setting up of coastal economic zones on the lines of special economic zones along Karnataka's 320-km long coastline. The mega project is part of the Karnataka government's recent efforts to promote tourism and lure investment into the state.

²⁸ <http://www.projectsmonitor.com/index.asp?secid=90>

²⁹ <http://www.projectsmonitor.com/index.asp?secid=91>

